

Fiscal Note

State of Alaska
2022 Legislative Session

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|---------------------|-----------|
| Bill Version: | SB 133 |
| Fiscal Note Number: | 2 |
| (S) Publish Date: | 4/27/2022 |

Identifier: SB133-DNR-DMLW
Title: REMOTE RECREATIONAL SITES; SALES;
PERMITS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Natural Resources
Appropriation: Fire Suppression, Land & Water Resources
Allocation: Mining, Land & Water
OMB Component Number: 3002

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

| | FY2023 Appropriation Requested | Included in Governor's FY2023 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|--|-------------------------|--------------|--------------|--------------|--------------|
| OPERATING EXPENDITURES | FY 2023 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Personal Services | 535.5 | | 535.5 | 535.5 | 535.5 | 535.5 | 535.5 |
| Travel | | | | | | | |
| Services | 50.0 | | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 |
| Commodities | 15.0 | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 600.5 | 0.0 | 585.5 | 585.5 | 585.5 | 585.5 | 585.5 |

Fund Source (Operating Only)

| | | | | | | | |
|-----------------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|
| 1153 State Land (DGF) | 600.5 | | 585.5 | 585.5 | 585.5 | 585.5 | 585.5 |
| Total | 600.5 | 0.0 | 585.5 | 585.5 | 585.5 | 585.5 | 585.5 |

Positions

| | | | | | | | |
|-----------|-----|--|-----|-----|-----|-----|-----|
| Full-time | 5.0 | | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|-----------------------|------------|------------|--------------|--------------|--------------|--------------|--------------|
| 1153 State Land (DGF) | | | 750.0 | 750.0 | 750.0 | 750.0 | 750.0 |
| Total | 0.0 | 0.0 | 750.0 | 750.0 | 750.0 | 750.0 | 750.0 |

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/23

Why this fiscal note differs from previous version/comments:

Fiscal Note 1 dated 4/28/2021 was updated to reflect current information for expenditures, revenues, and the due date for regulations.

Prepared By: Martin Parsons, Director
Division: Mining, Land and Water
Approved By: Theresa Cross, Administrative Services Director
Agency: Department of Natural Resources

Phone: (907)269-8625
Date: 01/28/2022 09:29 AM
Date: 1/28/22

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

Analysis

This legislation allows Alaskans to lease or purchase 10 acres of vacant, unappropriated, or unreserved state land for recreational purposes. The Division of Mining, Land, and Water (DMLW) anticipates this program will be very popular in its current form with the addition of the ability to permit remote recreational cabin sites and the option to lease and purchase the site.

The Division estimates approximately 50-parcels per offering that are successful in completion of sale annually; however, increased interest in the new program may increase participation. Remote parcel values vary substantially from approximately \$650-\$10,000 per acre based on multiple factors such as location, amenities, size, access, water-frontage, etc. Assuming 10-acres each (500-acres annually) at an average sale price of \$1,500-\$5,000 per acre, the department estimates a yield of \$750,000 to \$2,500,000 of annual sales. Assuming increased participation and potential for nominated lands to have increased value per acre with an increased success to sale rate, revenue could be increased. This revenue is land value that could be received incrementally over time through sale contracts or through a lump sum payment.

Estimating revenue from permitting remote recreational sites is difficult as the department does not have regulations developed for this program. This bill requires the department to develop regulations implementing statutes under AS 38.05.630. Until such time as the regulations are developed any estimate of potential revenue related to permitting remote recreational sites is too speculative.

DMLW assumes high interest in this program. To fully implement this program, DMLW anticipates a total of five positions will be needed. Two positions will be located within Land Sales, one in the Survey Section, one within Resources Assessment and Development Section, and one within the Appraisal Unit.

DMLW positions located in Anchorage:

One Permanent Full-Time GG Land Surveyor 1, R21, \$125.2
One Permanent Full-Time SS Natural Resource Manager 1, R18, \$116.1
One Permanent Full-Time GG Natural Resource Specialist 3, R18, \$105.6
One Permanent Full-Time GG Natural Resource Specialist 2, R16, \$94.3
One Permanent Full-Time GG Appraiser 1, R16, \$94.3